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Taxpayers can claim 2010 Haiti Donations on 2009 Tax Return

According to the Internal Revenue Service, if you give to charities providing earthquake relief in Haiti, you can claim the donations on the tax return you complete during this tax filing season.

If you itemize deductions on your 2009 return, you qualify for this special tax relief provision that was enacted Jan. 22. But there is a specific window of opportunity to qualify. Only cash contributions made after Jan. 11, 2010, and before March 1, 2010, are eligible. This includes contributions made by text message, check, credit card or debit card.

You can benefit from your donations almost immediately by filing your 2009 return early, filing <u>electronically</u> and choosing <u>direct deposit</u>. Refunds take as few as 10 days and can be directly deposited into a savings, checking or brokerage account, or used to purchase Series I U.S. savings bonds.

The one thing to remember is this new law *only* applies to cash (as opposed to property) contributions. The contributions must be made specifically for the relief of victims in areas affected by the Jan. 12 earthquake in Haiti. If for some reason you don't want to take the deduction on your 2009 return, you can take it on your 2010 return.

To get this tax benefit, you must itemize your deductions on <u>Schedule A</u>. Those who claim the <u>standard deduction</u>, including all short-form filers, are not eligible.

You should be sure your contributions go to qualified charities. Most organizations eligible to receive tax-deductible donations are listed in a searchable online database available on IRS.gov under <u>Search for Charities</u>. Some organizations, such as churches or governments, may be qualified even though they are not listed on IRS.gov. Donors can find out more about organizations helping Haitian earthquake victims from agencies such as <u>USAID</u>.

The IRS reminds donors that contributions to foreign organizations generally are not deductible. IRS <u>Publication 526</u>, *Charitable Contributions*, provides information on making contributions to charities.

Federal law requires that you keep a record of any deductible donations you make. For donations by text message, a telephone bill will meet the recordkeeping requirement if it shows the name of the donee organization, the date of the contribution and the amount of the contribution. For cash contributions made by other means, be sure to keep a bank record, such as a cancelled check, or a receipt from the charity showing the name of the charity and the date and amount of the contribution. Publication 526 has further details on the recordkeeping rules for cash contributions.